GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

2001-02 Annual Report

Department of Municipal and Provincial Affairs

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MESSAGE FROM THE MINISTER

I am very pleased to present the annual report of the Department of Municipal and Provincial Affairs for the fiscal year 2001-02.

In keeping with Government's commitment to being more open and accountable, this report presents a broad view of our major activities over the past year. While this report certainly highlights the successes of 2001-02, we also include some of the areas that require further attention.

Tremendous progress has been made in the past year towards addressing some key areas of concern such as water quality, waste management, municipal infrastructure and the financial viability of rural communities. Our work is on-going and together with our partners and stakeholders we will continue to make progress.

This report provides an overview of the Department, our programs and initiatives, partnership arrangements and also attempts to provide some insight for the reader into the environment in which we work.

I hope that you find the information contained in this report to be useful, not only in terms of providing information about our activities, but in helping gain insight into the complexity of the issues and challenges facing governments at all levels in delivering effective, affordable services.

I am proud of our accomplishments this past year and I look forward to meeting the challenges ahead with an equal amount of enthusiasm and success.

Sincerely,

Oliver Langdon

Honourable Oliver Langdon

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Departmental Overview

Vision

It is the vision of the Department of Municipal and Provincial Affairs *that the people of Newfoundland and Labrador enjoy healthy, safe and sustainable communities supported by strong local governments.*

Mission

The mission of the Department is to be *progressive, adaptable and professional in working with the people of our province to develop strong, self-reliant local governments capable of leadership and serving the best interests of their communities.*

Lines of Business

The Department's programs, services and activities fall within five core lines of business. These are:

Policy and Planning

- Development and maintenance of policy, legislation, programs and services in support of local governments, including land use policy and development planning, regional approaches to service delivery and local governance issues.

- In 2001-02, the Department engaged in numerous significant policy development initiatives including updating the Department's Strategic Plan entitled *Building a Better Tomorrow*; working with other departments towards a provincial waste management strategy; establishing a consultation process to identify waste management options for the Avalon Peninsula; researching alternative municipal financing arrangements; making legislative changes to a number of Acts and developing new legislation for municipal ticketing.

- The Department was also engaged in reviewing options for the relocation of residents of the isolated community of Great Harbour Deep situated along the Northern Peninsula.

Municipal Support Services

- Administrative reviews of municipalities; development and administration of municipal financing and management strategies and policies; administration of grants and subsidies; examination of local governments' financial operations; refinancing of capital funding and monitoring levels of debt.

- In 2001-02, the Department continued its Debt Relief Program for municipalities requiring financial assistance, worked with councils in identifying opportunities for sharing of services, continued to provide Municipal Operating Grants to municipalities and provided assistance to municipal staff and councils in areas of administration and financing.

Municipal Infrastructure and Engineering Services

- Provision of programs, services and financing to support the development and maintenance of municipal infrastructure, particularly water and sewer systems; as well as provision of engineering services and maintenance of standards for the design and installation of municipal infrastructure.

- The development of municipal infrastructure has been a priority for the Department and therefore, significant effort has gone towards supporting municipalities in providing and maintaining municipal infrastructure, particularly drinking water systems and water and sewer systems.

Provincial Affairs

- Administration of the business functions centred on protecting the provincial interest. It includes the Newfoundland and Labrador Emergency Measures Organization and emergency response planning and training; and the Office of the Fire Commissioner, as well as the Department's statutory responsibilities in relation to provincial affairs legislation.

- Efforts are underway within the Department to merge the Fire Commissioner's Office and the Newfoundland and Labrador Emergency Measures Organization to provide for a single emergency and crisis response unit within the Department.

- The Department has responsibilities relating to provincial matters such as Remembrance Day, the annual pilgrimage to Beaumont Hamel, regulation of the use of the province's Coat of Arms and evacuated communities to name a few.

Corporate Services

- Human resource administration, financial administration, information technology and general operations' support are provided by the Corporate Services business function. This is shared with the Department of Industry, Trade and Rural Development and the Department of Government Services and Lands, with Municipal and Provincial Affairs in the stewardship role.

- Corporate Services is also leading the process of developing a Strategic Human Resources Plan for each of the three departments noted above.

Organizational Structure

The Department's head office is located in St. John's. There are four regional offices located in St. John's (Eastern Region), Gander (Central Region), Corner Brook (Western Region) and Happy Valley-Goose Bay (Labrador Region). Head office concentrates on policy and planning, support services and some service delivery. Regional offices primarily provide service delivery.

The Department has three Branches - Engineering Services, Policy and Planning and Municipal Services. The Engineering Services Branch has two main functions: regional engineering support services and industrial water systems. The Policy and Planning Branch also has two main functions: policy and planning research and land use planning. Municipal Services Branches has three functions: corporate services, emergency services and fire prevention and municipal support services.

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Legislated Mandate

The Department has stewardship over 33 pieces of legislation as follows:

- *Assessment Act*
- *Avian Emblem Act*
- *Building Standards Act*
- *City of Corner Brook Act*
- *City of Mount Pearl Act*
- *City of St. John's Act*
- *Coat of Arms Act*
- *Commemoration Day Act*
- *Crown Corporations Local Taxation Act*
- *Emergency Measures Act*
- *Evacuated Communities Act*
- *Family Homes Expropriation Act*
- *Fire Prevention Act, 1991*
- *Floral Emblem Act*
- *Housing Act*
- *Housing Association Loans Act*
- *Housing Corporation Act*
- *Labrador Act*
- *Mineral Emblem Act*
- *Municipal Affairs Act*
- *Municipalities Act*
- *Pippy Park Commission Act*
- *Provincial Anthem Act*
- *Provincial Flag Act*
- *Regional Service Boards Act*
- *Remembrance Day Act*
- *St. John's Assessment Act*
- *St. John's Centennial Foundation Act*
- *St. John's Municipal Council Parks Act*
- *St. John's Municipal Elections Act*
- *Standard Time Act*
- *Taxation of Utilities and Cable Television Companies Act*
- *Urban and Rural Planning Act*

Budgetary Allocation

In fiscal year 2001-02, the Department had a gross budget of $110.6 million. In excess of $101.8 million or 92.1 per cent was spent in financial assistance to municipalities through such programs as municipal operating grants, infrastructure development, debt relief and special assistance. The remaining $8.7 million or 7.9 per cent was directed to expenditures in salaries and operating costs to deliver programs and services, including corporate services to the Departments of Industry, Trade and Rural Development and Government Services and Lands.

The Department had related revenues of $15,211,300 from the federal government and $619,900 from other provincial sources. The remaining $94,753,300 was provided by the Provincial Government.

Human Resources

In 2001-02, the department had a permanent staff complement of 126 positions and also employed numerous temporary and contractual staff. The educational backgrounds and expertise of Departmental staff is relatively diverse and reflects the Department's role in providing technical expertise to municipalities in areas of financial management, municipal administration, engineering, planning and policy, and emergency services. As well, the Department has staff responsible for administration, human resources, and information technology. Departmental staff also help establish and provide training programs for elected and non-elected municipal officials.

Shared Commitments

Stakeholders

The Department has a wide sphere of stakeholders. Its primary clients are the province's 290 municipalities and 175 local service districts which represent approximately 96 per cent of the population. There are also 137 unincorporated communities.

The Department interacts frequently with many provincial and federal government departments, particularly in land use planning, infrastructure development and environmental issues, such as water quality and waste management.

The Department works closely with numerous organizations and associations including the following:

- Newfoundland and Labrador Federation of Municipalities
- Newfoundland and Labrador Association of Municipal Administrators
- Newfoundland and Labrador Association of Fire Chiefs and Firefighters
- Combined Councils of Newfoundland and Labrador
- Various regional joint councils
- Royal Canadian Legion
- Multi-Materials Stewardship Board
- Municipal Training and Development Corporation
- Atlantic Canada Water Works Association
- Lending institutions
- Educational institutions
- Engineering Consultants

Relationships with Stakeholders

The Department's role traditionally involved a hands-on approach to providing services to municipal authorities. Staff have been extensively involved in the financial, administrative and technical affairs of many municipalities that have needed or requested assistance. However, as municipal authorities mature, the Department's role has been moving towards that of policy-maker, advisor and facilitator. While the Department continues to be extensively involved in many areas of municipal governance, it is positioning itself to be less hands-on by helping create an environment that enhances municipal autonomy, self reliance and accountability.

For communities to effectively provide services which their residents require and are able to afford, they require the necessary legislative, financial and management tools. It is the primary role of the Department to assist in providing these tools and monitoring municipal affairs throughout the province.

In addition to the obvious need to build and maintain strong, healthy relationships with municipal authorities, relationships with other provincial and federal departments and agencies is equally important. For example, effective program delivery in areas of water quality and waste management requires a close working relationship with the Departments of Environment, Health and Community Services and Government Services and Lands. As well, the Atlantic Canada Opportunities Agency (ACOA) is a key partner in the delivery of municipal infrastructure development programs. The ability of the Department of Municipal and Provincial Affairs to meet its strategic goals and objectives is impacted significantly by the activities of other organizations. Continued consultation and cooperation with these organizations is therefore necessary to develop and work towards shared commitments that are mutually beneficial.

Partnerships and Cooperative Initiatives

In 2001-02, the Department continued to examine, evaluate and develop an appropriate offering of programs and services to ensure strategic issues are addressed and to assist smaller rural municipalities make the transition to self-reliance and autonomy.

The Department has been successful in establishing constructive partnerships that have led to improved policy, services and programs. Our strongest partnerships are with the local governments, the Newfoundland and Labrador Federation of Municipalities, the Combined Councils of Labrador, the Newfoundland and Labrador Association of Municipal Administrators, and the Newfoundland and Labrador Association of Fire Chiefs and Firefighters.

Policy Forum with NLFM

A joint Policy Forum Committee between the Department and the Newfoundland and Labrador Federation of Municipalities (NLFM) has provided an effective vehicle for open dialogue and consensus building. The Policy Forum has enabled government and the NLFM to jointly identify priorities, discuss current issues and problems facing municipalities, consider options and develop

action plans. The Policy Forum Committee meets four times per year or as required. The committee is chaired by the Minister of Municipal and Provincial Affairs.

Municipal Training and Development Corporation (MTDC)

The Municipal Training and Development Corporation was created in November of 1999 at the Annual Convention of the NLFM. The Department's partners include the Newfoundland & Labrador Federation of Municipalities (NLFM), the Newfoundland & Labrador Association of Municipal Administrators (NLAMA) and the Combined Councils of Labrador (CCL).

The vision of the Corporation is to provide strong, effective and self-sustaining municipal government provided by knowledgeable, competent elected officials and qualified professional staff. The mandate of the Municipal Training and Development Corporation includes:

- identifying training needs of elected municipal officials and municipal employees
- establishing training priorities and preparing strategic municipal training plans
- ensuring that appropriate courses and materials are developed
- researching and developing competency and training standards
- developing and recommending training programs as required
- researching, developing and utilizing alternate methods of delivery
- scheduling and delivering training courses
- conducting course and overall program evaluations
- identifying, accessing and managing appropriate resources

Emergency Response

On two separate occasions in 2001, the Newfoundland and Labrador Emergency Measures Organization (NLEMO) was called upon to respond to major crises. The first situation involved the unscheduled arrival of 78 planes in Newfoundland and Labrador due to the attack on the USA by terrorists and the subsequent closure of US airspace. NLEMO coordinated a multi-agency response involving numerous provincial and federal departments, municipalities, airport authorities and volunteer organizations.

The second situation came about when Tropical Storm Gabrielle created significant flooding in the Avalon region causing extensive damage to homes, businesses and municipal infrastructure. The response to this situation required cooperation and assistance from the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP), in providing financial assistance to those persons who incurred the loss of essentials as a result of flood damage.

Newfoundland and Labrador Association of Fire Chiefs and Firefighters

The Department works closely with the Newfoundland and Labrador Association of Fire Chiefs and Firefighters to support our local volunteer firefighters. This year, the Minister of Municipal and Provincial Affairs and the Minister of Education jointly presented $50,000 to the Association in support of the "Learn Not To Burn" program. The funding was provided to hire a coordinator for

the program which teaches elementary students how to prevent fires and react in the event of fire. The program was developed by the National Fire Protection Association and is designed to encourage home and community participation.

Infrastructure Programs

Delivery of infrastructure development programs requires partnership arrangements between the federal, provincial and municipal governments. Each level of government is involved with decisions relating to such matters as the establishment of funding priorities, determination of cost-sharing arrangements, approval and implementation of projects.

Regionalization Initiatives

In 2001-02 a number of municipalities explored the benefits of sharing of services in areas such as fire fighting, waste management and water and sewer. Government supports the concept of regional sharing of services and will facilitate processes to explore this option for municipalities that request our support. For example, the Department provides support for the Avalon Waste Management Committee which is seeking to identify a single waste management site for the Avalon Peninsula.

The Department has received a number of requests from municipalities for funding for feasibility studies on the regional sharing of services.

Highlights and Accomplishments

Legislation

Over the past year, the Department continued to make major strides in revising its legislative framework resulting in more user friendly legislation that promotes greater autonomy, self reliance and accountability for municipal governments.

A new *Municipal Elections Act* was passed which consolidated and modernized the elections provisions of various pieces of legislation and enabled the City of St. John's to be the first municipality in the province to use the vote-by-mail system.

In November 2001, the Northeast Avalon Joint Councils requested that Government establish a legislative framework that would enable municipalities to establish a ticketing system for municipal by-law and regulation infractions. A joint committee of provincial and municipal officials was established to review options.

Water quality issues continued to remain at the forefront of the public policy agenda and this has placed considerable demands on government to assist municipalities in ensuring people have safe, clean drinking water. In 2001-02, Government invested heavily in water and sewer infrastructure and is implementing a strategic water quality initiative that emphasizes a multi-barrier approach to the protection of drinking water supplies.

In order to enhance the quality of drinking water, government committed to a multi-year, capital funding initiative aimed exclusively at improving the quality of the drinking water supplies in the Province. The first multi-year program concluded in 2001 and provided 10 municipalities with $106 million over a three-year period starting in 1999. A second multi-year program is planned for 2002-2005.

In 2001, Government introduced the Disinfection Assistance Program (DAP) which offers municipalities on boil water advisories the opportunity to obtain 100 per cent provincial funding with a threshold of $100,000 for the installation, repair or upgrading of disinfection systems. In 2001-02, 119 municipalities received funding of $9.4 million.

To assist municipalities and systems operators throughout the province in addressing water quality issues, particularly those relating to systems operation and maintenance, the Department hired three engineering technicians to provide hands on assistance and support in the operation and maintenance of these systems.

Significant investments were also made in other areas to improve the supply and quality of water, including upgrading of two existing water treatment plants and investment in five new water treatment facilities.

Increased training for operators of municipal water systems is another priority and has already begun. This training is part of the water quality strategy and involves partnering with the Newfoundland and Labrador Federation of Municipalities. The Department will pay for the travel expenses of operators taking courses that result in certification. As well, the Department assisted in paying the travel cost of municipalities wishing to attend a water quality workshop in Gander. This resulted in participation by 292 people representing 113 municipal groups and 165 different groups including government departments, councils, consultants and suppliers.

Municipal Infrastructure Development

In 2001-02 the Department contributed $80 million towards its share of capital costs for projects undertaken in previous years. The total debt owed by the Department at the end of 2002 is approximately $240 million. Government continues to make substantial financial investment in municipal infrastructure. The Department administers programs for the development of municipal capital works: the Canada-Newfoundland Infrastructure Program (CNIP), the Municipal Capital

Works Program (MCWP), the Multi-Year Capital Works Program and Special Assistance Program. This resulted in funding approvals of $73.3 million broken down as follows:

Department of Municipal & Provincial Affairs
2001-02 Approved Funding

Project Type	*Municipal Capital Works Program*		*Canada/NL Infrastructure Program*		*Multi-Year Capital Works Program*		*Special Assistance*		*Total*	
	#	$	#	$	#	$	#	$	#	$
DAP W/S	*14*	*749,677*	*105*	*8,189,764*	—	—	*209*	*448,210*	*328*	*9,387,651*
Water/Sewer	*44*	*3,706,110*	*105*	*30,024,126*	*18*	*16,369,600*	*283*	*1,039,434*	*450*	*51,139,270*
Paving and/or Road Reconstruction	*13*	*4,642,927*	—	—	*6*	*1,304,183*	*17*	*150,117*	*36*	*6,097,227*
Solid Waste Management	*3*	*269,404*	—	—	—	—	—	—	*3*	*269,404*
Recreation	*14*	*4,357,916*	—	—	—	—	—	—	*14*	*4,357,916*
Buildings/ Firefighting Equipment	*21*	*1,471,500*	—	—	*2*	*61,542*	*100*	*547,756*	*123*	*2,080,798*
TOTAL	*109*	*15,197,534*	*210*	*38,213,890*	*26*	*17,735,325*	*609*	*2,185,517*	*954*	*73,332,266*

Canada-Newfoundland Infrastructure Program

2001-02 was the first year of implementation of the Canada-Newfoundland Infrastructure Program (CNIP). Under this program, the federal and provincial governments will cost share $156 million on infrastructure in the province over five years. In 2001-02, $38.2 million was spent under this program.

The Provincial and Federal Governments in consultation with the Newfoundland and Labrador Federation of Municipalities determined that the top priority for expenditures under this program is water and sewer and drinking water quality.

Municipal Capital Works Program

Provincial/municipal capital works projects continue to be financed on a cost-shared basis. In 2001-02, $15.2 million was cost-shared between the province and municipalities under the Municipal Capital Works Program. The focus of this program continues to be shorter term projects for smaller municipalities again, with a priority on water and sewer infrastructure.

Multi-Year Capital Works Program

2001 was the last year of the 1999-01 Multi-Year Capital Works Program. Under this program, $106 million was cost shared on a 50/50 basis in 10 municipalities over a three year period. This program was designed to fund larger scale infrastructure projects in larger communities that have the capacity to make a multi-year funding commitment. Another Multi-Year Capital Works Program will commence in 2002-05.

Variable Cost Sharing Guidelines

Many of the province's smaller rural municipalities have benefitted from the ***variable cost sharing guidelines*** introduced by Government this year. This arrangement applies to the provincial/municipal share of water and sewer projects. Under the guidelines, the provincial/municipal share of project costs can be financed on a 50/50 basis to as high as 90/10. This enhanced cost sharing ensures that all municipalities can access needed infrastructure funding at a rate which is affordable to even the smallest municipalities.

The variable cost sharing arrangements are based on factors such as the community size and fiscal capacity of the municipality. Smaller municipalities, and those with a limited tax base, are the beneficiaries of the lower cost sharing arrangements, while the larger municipalities still avail of funding at the 1/3, 1/3, 1/3 ratios envisioned in the CNIP program or 50/50 arrangements under the Multi-Year Program. Under this formula, numerous rural communities will acquire municipal infrastructure that they could not afford under previous cost-sharing arrangements.

Waste Management Strategy

One of the most significant environmental issues facing the province is waste management. Major factors contributing to the overall problem relate to the large number of waste disposal sites in the province, the high cost to establish and maintain properly designed and built landfill sites and the need for waste reduction and waste diversion strategies.

The Department worked closely with officials in the Department of Environment to develop a provincial waste management strategy which will reduce the number of landfill sites; phase out the use of incinerators, open burning and unlined landfill sites; and increase waste diversion.

Regional waste management initiatives are currently underway throughout the province and are at various stages of development.

The Central Newfoundland Waste Management Committee is the working group pursuing Regional Waste Management Authority status for the Central Host Site Region. The committee has completed its Phase I Report with sites recommended in the Lewisporte Junction area.

The Western efforts began in 1994 as a response to the City of Corner Brook's existing site problems and evolved into a regional undertaking. The committee is now an unincorporated working group pursuing Regional Waste Management Authority status for the large Western Host Site

Region. The committee completed the Phase I existing system and options study process. Preliminary site selection work (Phase II) has been inconclusive but suggests sites in the vicinity of Deer Lake and George's Lake. No recommendations have yet been made for system type.

In November 2001, an Avalon Waste Management Community Consultative Committee was established to undertake the process of developing a regional waste management plan for the greater Avalon Peninsula. This area is currently serviced by 34 landfill sites and a further nine incinerators. The area is also home to more than 50 per cent of the province's population.

The committee is reviewing and evaluating all viable waste management options for the Avalon region. Ultimately, the committee will make recommendations regarding a long-term waste management plan for the Avalon Region, including the location and type of a single regional waste management facility.

Municipal Financing

A committee has been established with representation from the Department, the Newfoundland and Labrador Federation of Municipalities and the Newfoundland and Labrador Association of Municipal Administrators to examine the very sensitive issue of municipal financing arrangements. At present, grant allocations to municipalities are made on a formula basis which considers factors such as equalization, roads, revenue generation and a household component. The formula has not been reviewed for a number of years and this initiative will examine whether or not it should be changed and put forward proposals for future grant programs. The committee is also undertaking to identify other potential sources of revenues for municipal governments which could help alleviate some of the current reliance on provincial transfers.

Debt Relief Program

The Debt Relief Program was established in 1997-98 to improve the financial strength, reliability and accountability of those municipalities which were experiencing serious financial difficulties. While the factors that created these financial difficulties varied from municipality to municipality, common characteristics included unmanageable debt levels, inadequate tax levels, and in some cases, insufficient focus on matters of debt management.

Under the Debt Relief Program, the department assists municipalities to develop sound financial plans and provides financial assistance to help them restructure their debt. To receive financial assistance, municipalities whose tax rates are below the provincial average are required, usually over a three year period, to increase taxes to a predetermined level.

To date, 94 municipalities from the debt relief program list have refinanced long term debt. Of these 94 municipalities, 52 have been provided with financial assistance. An additional 55 municipalities are being worked on in various stages.

Consideration is given to municipalities which have: a high debt to revenue ratio benchmarked at 30% and higher, have arrears to the Newfoundland Municipal Financing Corporation and are prepared to impose minimum tax rates and enter into a debt restructuring agreement.

Training

2001-02 was a municipal election year and as a result the MTDC's primary objective has been the creation of information and training for elected officials and administrators for this process. MTDC hired a new Training Officer and developed the following programs for elected officials:

- A Pre-election Brochure
- A Candidates Municipal Election Brochure
- A Councillor's Handbook
- How to Get Elected Handbook
- An Orientation Video and Handbook
- A Toll Free Information Line

The MTDC also provided appropriate training for municipal administrators for the new *Elections Act* and Councillor orientation sessions.

The MTDC will develop a Municipal Education Foundation Program for municipal administrators, which will include the following courses:

- Introduction to Basic Computer Software
- Basic Procedures in Municipal Office
- Municipal Services
- Planning and Development
- Communications in the Municipal Environment
- Municipal Bookkeeping Basics
- Municipal Accounting Made Simple
- Municipal Legislation and What It Means To You
- Human Resources and Labour Relations

The MTDC will also continue the provision of the Municipal Cash Handling and the Property Assessment courses for both elected officials and municipal administrators. A needs assessment will be conducted and used, as a method of identifying the training needs of both elected officials and municipal administrators. Work towards the provision of a professional designation for qualified administrators is also continuing.

The Minister of Municipal and Provincial Affairs announced on April 28, 2001 at the Newfoundland and Labrador Association of Municipal Administrators (NLAMA) Convention in Grand Falls-Windsor, the provision of a $100,000 program of financial assistance for training and professional development for both elected officials and municipal administrators. This program is based upon

the principal of matching financial dollars for those municipalities with the greatest need to attend training programs approved or sponsored by the MTDC.

Municipal Elections

Municipal Elections were held on September 25, 2001. This year, with the introduction of the new Municipal Elections Act, the City of St. John's was able to use a "vote by mail" system marking the first time such a system was used in the Province. The City of St. John's and Canada Post implemented the vote by mail system in accordance with provincially approved municipal regulations.

This year, municipal elections held in communities throughout the province saw an increase in the percentage of female candidates and a decrease in the number of new candidates. Twenty-six per cent of electoral candidates were women which is a three per cent increase over the 1997 elections. The percentage of new candidates decreased to 47 per cent from the 49 per cent of 1997. Likewise the number of incumbents rose from 51 per cent to 53 per cent.

Overall, the Department was pleased with the administration of the municipal elections and will continue to work with stakeholders to increase awareness and interest in municipal governance.

Urban and Rural Planning

The Urban and Rural Planning Division focused on providing support to municipalities and planning consultants as they made the transition to the new *Urban and Rural Planning Act* which came into effect on January 1, 2001. Several planning circulars outlining technical aspects of the new Act, including the registration process and appeal procedure, were prepared and circulated to municipalities and consultants. The Division also prepared standards for the submission of digital mapping in a form capable of being incorporated into the Municipal Information Management System (MIMS) and established the format and process for registration of planning documents.

In 2001-02, six new municipal plans and development regulations and approximately 50 municipal plan and/or development regulations amendments were registered under the new Act.

Emergency Measures

The Province's Emergency Measures Office faced very significant challenges in the last few months of 2001 beginning with the September 11th terrorist attack on the USA and followed by Tropical Storm Gabrielle.

September 11, 2001 - Terrorists attack on the United States

On September 11th, terrorists hijacked and crashed four commercial aircraft resulting in the deaths of thousands in the United States. To prevent further attack, North American airspace was closed for a short period.

By 5:00 p.m. that day a total of 78 diverted aircraft landed in Newfoundland and Labrador. Thirty-seven landed at Gander International Airport, 27 at St. John's International Airport, eight in Stephenville, five in Happy Valley-Goose Bay, and one private airplane landed in Deer Lake. More than 13,000 passengers and crew were on those diverted flights.

The Newfoundland and Labrador Emergency Measures Organization in cooperation with volunteer organizations, religious organizations, regional fire departments, schools and other institutions, and the business community, as well as various municipal, provincial, and federal officials, departments and agencies were successful in responding to the emergency.

The cost to the Government of Newfoundland and Labrador was approximately $2 million. This included, overtime incurred by staff of provincial government departments and agencies as well as supplies, transportation, and compensation to volunteer organizations. The latter was particularly important as the Government of Newfoundland and Labrador recognized that many of the volunteer organizations would be severely impacted if they were not reimbursed in a timely manner. A request for financial compensation to the province has been made to the federal government.

The tremendous contribution and cooperation from the various groups, agencies and all levels of government involved was a testament to the capabilities of the people of Newfoundland and Labrador in responding to crisis situations and helping those in need.

Tropical Storm Gabrielle

On September 19, 2001, Tropical Storm Gabrielle hit the Avalon Peninsula bringing with it a record rainfall of 119 millimetres. Flooding caused by the storm resulted in extensive property damage and loss for individual property owners and businesses, as well as extensive damage to municipal infrastructure. Recognizing that severe damage would create hardship for many residents and small business owners, the Province responded immediately to the crisis and contacted the federal government to access the Disaster Financial Assistance Arrangements. A Disaster Assistance Committee was established with the Newfoundland and Labrador Emergency Measures Organization (NLEMO) as lead agency with responsibility for coordinating the claims process.

Under the federal Disaster Financial Assistance Arrangements, persons who had experienced damages as a result of flooding could be eligible for financial assistance to replace items deemed essential under federal program guidelines. Information about the financial assistance program was published in the local papers and information packages containing claims applications were sent to approximately 1,800 people. Adjustors were contracted and assigned to claims as soon as they are were submitted. NLEMO also increased staffing to address claims in as timely a manner as possible.

By March 31, 2002, approximately 1,225 claims were processed from individuals, small businesses, non-profit organizations and municipalities. It is expected that approximately $5 million will be spent. As well, there will be an additional $500,000 for adjustors, overtime, and other expenses.

Strategic Directions

Strategic Issues and Goals

The Departmental Plan 2002-05 identifies strategic issues and goals for the Department and are as follows:

STRATEGIC ISSUE 1

The Issue: ***How to alleviate the structural problems in municipal financing.***
A disproportionate number of communities, particularly rural communities, are experiencing serious financial problems. These conditions are undermining the viability of local government and will only improve if necessary and coordinated measures are taken by Government and/or municipalities.

The Goal: ***To improve the financial strength, viability and accountability of local governments.***
The Department is working to achieve this goal by continuing to provide financial support to municipalities through programs such as Municipal Operating Grants, Infrastructure Development, Debt Relief and Special Assistance. On-going efforts to examine alternative municipal financing arrangements may lead to more equitable distribution of public funds among municipalities. As well, efforts to promote regional sharing will continue as experience demonstrates that the sharing of services is beneficial to communities in terms of efficiency and affordability.

STRATEGIC ISSUE 2

The Issue: ***How to improve the strength of local governments.***
Strong, viable and accountable governments providing adequate and affordable municipal services to their residents are essential to the well-being and development of the province as a whole. Currently, many local governments need support to build the strength, self-reliance, independence and skills necessary to lead their communities more effectively.

The Goal: ***To increase the strength of local government through increased self-reliance, competency and accountability.***

The Department is working closely with the Municipal Training and Development Corporation to provide training for municipal staff and elected officials in key areas. Increased training for municipal staff and elected officials will help ensure responsible decision-making and accountable municipal authorities.

STRATEGIC ISSUE 3

The Issue: ***How to improve the adequacy of municipal infrastructure.***

There is a strong and on-going need for adequate infrastructure to improve the health and environmental conditions in our communities. The delivery of municipal capital works needs to be made more effective with respect to cost, targeting, affordability and suitability.

The Goal: ***To develop the municipal infrastructure required for safe and healthy communities and protection of the environment.***

Funding for municipal infrastructure has increased significantly over the past year. The Debt Relief Program has helped provide debt burdened municipalities with some flexibility to undertake infrastructure programs. As well, the variable cost sharing guidelines introduced by Government will enable smaller municipalities to undertake municipal infrastructure projects that they otherwise could not afford.

STRATEGIC ISSUE 4

The Issue: ***How to promote and support greater efficiency in the delivery of municipal services.***

There are a large number of competing service delivery mechanisms at work, serving a multitude of communities and community interests. This leads to inefficiencies in the delivery of municipal services. A rationalization of both structures and municipal service delivery processes is required, if costs are to be reduced and services enhanced.

The Goal: ***To build municipal cooperation and enhance the role of municipal government in providing more effective/efficient services and in supporting economic and social development.***

The Department is working with its stakeholders, and particularly municipal councils, to address inefficiencies in the delivery of municipal services. The Department is promoting the sharing of services as a means of reducing inefficiencies.

The Issue: ***How to adapt to the Changing Role of Government.***
The Department's evolving role as a facilitator and policy maker requires that the necessary resources and/or skill sets be acquired to adequately take on this role.

The Goal: ***To create and sustain the progressive, adaptable and professional organization required to meet the mandate of the Department of Municipal and Provincial Affairs.***
The Department is working towards a Strategic Human Resources Plan which will describe our strengths and weaknesses, training needs, and areas where new staff or new skills are required to meet the changing needs of municipalities.

Conclusion

In 2001-02, the Department made significant progress in addressing its strategic issues, successfully implemented a number of new initiatives, managed some unexpected challenges and continues to build and maintain strong, healthy, effective relationships with its key stakeholders. Our commitment to communities throughout the province has been demonstrated in numerous ways including significant increased funding for water quality, municipal infrastructure and financial assistance to municipalities.

While the past year is generally regarded as successful, the Department will work to maintain the same level of commitment to municipalities, but will also continue to promote the benefits of regional sharing of services.

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